

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0444.02 Yelana Love x2295

HOUSE BILL 18-1113

HOUSE SPONSORSHIP

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A BILL FOR AN ACT

101 CONCERNING STATE AGENCY REQUIREMENTS FOR THE ENFORCEMENT
102 OF NEW REGULATORY REQUIREMENTS ON SMALL BUSINESSES,
103 AND, IN CONNECTION THEREWITH, ENACTING THE
104 "REGULATORY REFORM ACT OF 2018".

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill enacts the "Regulatory Reform Act of 2018". **Section 2** of the bill makes legislative declarations about the importance of businesses with 100 or fewer employees to the Colorado economy and the difficulty

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

these types of businesses have in complying with new administrative rules that are not known or understood by these businesses.

Section 3 defines "new rule" as any regulatory requirement in existence for less than one year prior to its enforcement by a state agency, and "minor violation" as any violation of a new rule by a business with 100 or fewer employees where the violation is minor in nature, involving record-keeping or other issues that do not affect the safety of the public. Section 3 provides exceptions from the definition of "minor violation" for certain types of rules.

For the first minor violation of a new rule by a business of 100 or fewer employees, **section 4** requires a state agency to issue a written warning and engage the business in educational outreach as to the methods of complying with the new rule. Section 3 requires state agencies to make information on new rules available and allows this information to be made available in electronic form.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Short title.** The short title of this act is the
3 "Regulatory Reform Act of 2018".

4 **SECTION 2. Legislative declaration.** (1) The general assembly
5 hereby finds and declares that:

6 (a) Colorado's business community consists overwhelmingly of
7 small businesses that employ one hundred or fewer employees;

8 (b) These businesses make up the majority of the business activity
9 in Colorado and employ tens of thousands of Coloradans; and

10 (c) There is a disconnect between the promulgation of new rules
11 and the education and awareness of small business owners about new
12 requirements. Most often, a small business owner may not be aware of
13 new rules until someone from a state agency audits the business and
14 determines it has not complied with new regulatory directives.

15 (2) The general assembly, therefore, declares that it would benefit
16 businesses with one hundred or fewer employees in this state if the
17 enforcement activities of state agencies for first-time minor violations of

1 new rules were focused on educating and training small businesses to
2 comply with new rules rather than on punishing first-time violators for
3 noncompliance.

4 **SECTION 3.** In Colorado Revised Statutes, 24-4-102, **amend** the
5 introductory portion; and **add** (8.5) and (8.7) as follows:

6 **24-4-102. Definitions.** As used in this ~~article~~ ARTICLE 4, unless
7 the context otherwise requires:

8 (8.5) (a) "MINOR VIOLATION" MEANS A VIOLATION OF A NEW RULE
9 BY A BUSINESS OF ONE HUNDRED OR FEWER EMPLOYEES, WHICH
10 VIOLATION IS MINOR IN NATURE, INCLUDING OPERATIONAL OR
11 ADMINISTRATIVE MATTERS SUCH AS RECORD-KEEPING, RETENTION OF
12 DATA, OR FILING OF REPORTS, THAT DOES NOT AFFECT PUBLIC SAFETY AND
13 THAT CARRIES A FINANCIAL PENALTY FOR NONCOMPLIANCE.

14 (b) "MINOR VIOLATION" DOES NOT INCLUDE ANY MATTER THAT
15 PLACES THE SAFETY OF THE PUBLIC, WORKERS, OR OTHERS AT RISK AND
16 DOES NOT APPLY TO:

- 17 (I) STATE-ISSUED PERMITS, LICENSES, OR REGISTRATIONS;
- 18 (II) MATTERS RELATED TO BIDDING ON STATE CONTRACTS;
- 19 (III) ACTIVITIES REQUIRED BY FEDERAL LAW;
- 20 (IV) THE ENFORCEMENT ACTIVITIES OF THE ADMINISTRATOR OF
21 THE "UNIFORM CONSUMER CREDIT CODE", ARTICLES 1 TO 9 OF TITLE 5,
22 DESIGNATED BY THE ATTORNEY GENERAL UNDER SECTION 5-6-103;
- 23 (V) RULES ADOPTED BY THE COLORADO CIVIL RIGHTS DIVISION,
24 CREATED IN PART 3 OF ARTICLE 34 OF THIS TITLE 24; OR
- 25 (VI) RULES ADOPTED BY THE DEPARTMENT OF PUBLIC HEALTH
26 AND ENVIRONMENT, CREATED IN PART 1 OF ARTICLE 1 OF TITLE 25.

27 (8.7) "NEW RULE" MEANS A REGULATORY REQUIREMENT THAT

1 AFFECTS A BUSINESS WITH ONE HUNDRED OR FEWER EMPLOYEES
2 ENFORCED BY AN AGENCY LESS THAN ONE YEAR PRIOR TO ITS EFFECTIVE
3 DATE.

4 **SECTION 4.** In Colorado Revised Statutes, **add** 24-4-104.7 as
5 follows:

6 **24-4-104.7. Special enforcement provisions - new**
7 **requirements - minor violations - written warnings - educational**
8 **outreach.** (1) EACH STATE AGENCY THAT REGULATES BUSINESSES
9 EMPLOYING ONE HUNDRED OR FEWER EMPLOYEES SHALL, IN THE COURSE
10 OF NORMAL OPERATIONS, DEVELOP FACT SHEETS FOR NEW RULES ADOPTED
11 IN EACH FISCAL YEAR AND MAKE THESE FACT SHEETS AVAILABLE TO
12 BUSINESSES WITH ONE HUNDRED OR FEWER EMPLOYEES THAT HAVE BEEN
13 FOUND TO BE IN VIOLATION OF NEW RULES IN ORDER TO ACCELERATE THE
14 AGENCY'S EDUCATIONAL PROCESS AND AID IN COMPLIANCE WITH NEW
15 RULES. EACH AGENCY MAY MAKE THIS INFORMATION AVAILABLE IN
16 ELECTRONIC FORM SO LONG AS THE AGENCY MAKES EFFORTS TO INFORM
17 BUSINESSES WITH ONE HUNDRED OR FEWER EMPLOYEES OF THE LOCATION
18 ON THE INTERNET WHERE THE BUSINESSES CAN FIND THE INFORMATION.

19 (2) FOR ANY FIRST-TIME MINOR VIOLATION OF A NEW RULE BY A
20 BUSINESS WITH ONE HUNDRED OR FEWER EMPLOYEES, A STATE AGENCY
21 SHALL ISSUE A WRITTEN WARNING TO THE BUSINESS AND CONDUCT
22 EDUCATIONAL OUTREACH TO INFORM THE BUSINESS OF THE METHODS OF
23 COMPLYING WITH THE NEW RULE.

24 **SECTION 5. Act subject to petition - effective date -**
25 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
26 the expiration of the ninety-day period after final adjournment of the
27 general assembly (August 8, 2018, if adjournment sine die is on May 9,

1 2018); except that, if a referendum petition is filed pursuant to section 1
2 (3) of article V of the state constitution against this act or an item, section,
3 or part of this act within such period, then the act, item, section, or part
4 will not take effect unless approved by the people at the general election
5 to be held in November 2018 and, in such case, will take effect on the
6 date of the official declaration of the vote thereon by the governor.

7 (2) This act applies to offenses committed on or after the
8 applicable effective date of this act.